Chapter 16.—Local, Municipal and Cantonment Funds.

(C. A. C., Articles 266—275.)

Incorporated Local Funds ... 211
Government Book Depot ... 212
Steam Boiler Inspection Fund... 213
Village Officers' Cess Fund (Sind) 214
The Local Fund (Act I of 1884)... 216
Excluded Local Funds 253
Municipalities banking with Government 280

Incorporated Local Funds.

211. There are four Incorporated Local Funds, *viz.*:—

1. Government Book Depôt.
2. Steam Boiler Inspection Fund.
3. Village Officers' Cess Fund (Sind).
4. "The Local Fund" (Act I of 1884).

Government Book Depot.

212. The accounts of this fund are kept on the books of the Accountant General, not in those of any particular Treasury. Any sums which may be received or paid at the Treasury on this account should be entered in a subsidiary register in C. A. C. Form 35, the total of which should be daily carried into the Cash Book; a copy of this register should be sent as a schedule to the Treasury Cash Account, while another copy should be despatched to the Curator of the Government Book Depôt, so that he may be able to see that sums paid in by his subordinates are duly credited. Care is necessary to prevent receipts of this kind being confused with other educational receipts.

Steam Boiler Inspection Fund.

213. A monthly schedule of receipts of the Fund at the Treasury should be sent to the Collector of Bombay for information, a similar schedule in the case of payments, if any, being also sent to the Collector.

Village Officers' Cess Fund (Sind).

214. Under Bombay Act IV of 1881 as amended by Act II of 1888 a single Fund called the "Sind Village Officers' Cess Fund" has been formed for all the districts in Sind. The accounts of the Fund are kept in the Accountant General's office, where a monthly classified account showing the transactions of all the districts separately under the prescribed heads is prepared from the Schedules of Receipts and Payments submitted by Treasury Officers, and sent to the Collector in Sind. At the Treasury the transactions of the Fund should be recorded in subsidiary Registers in C. A. C Forms Nos. 35 (for disbursements) and 36 (for receipts) the totals of which should be daily carried into the Cash Book. The receipts should be classified under the prescribed headings which should be arranged for by having corresponding columns opened in the subsidiary register referred to above. The disbursements need not be classified. The Treasury Officer in each district of Sind will send to the Accountant General on the 1st of every month along with the Treasury Accounts, a monthly schedule of Receipts of the Cess Fund. A similar schedule

Page 164—

Strike out the heading "Village Officers' Cess Fund (Sind)" 214.

(No. 135, dated 14-10-07).

Page 164, *Article* 211—

Omit entry No. 3.

(No. 135, dated 14-10-07).

Page 164—

Omit Articles 214 and 215.

(No. 135, dated 14-10-07).

Page 165, *Article* 216—

Add after the words "those officers" at the end of this article the following :—

Rules for the guidance of the Local Fund Accountants are contained in Annexure A to this Chapter.

(No. 135, dated 14-10-07).

Page 165, *Article* 218—

Substitute for the words "and a schedule of payment, &c., up to the end of the rule" the following :—

"and a schedule of cheques paid in the sub-joined form accompanied by the cheques."

Serial No.	Cheque No.	Amount.	Remarks.

(No. 135, dated 14-10-07).

Page 170, *Article* 229—

Omit the words in line 8 "and eventual transmission" to the end of the article.

(No. 135, dated 14-10-07).

Page 171—

Omit Articles 231, 232, 234 and 235.

(No. 135, dated 14-10-07).

Page 173—

Omit Articles 238 and 239.

(No. 135, dated 14-10-07).

Page 174—

Omit Articles 240 to 244.

(No. 135, dated 14-10-07).

Page 175—

Omit Articles 247 and 248.

(No. 135, dated 14-10-07).

Page 176—

Omit Article 252.

(No. 135, dated 14-10-07).

Page 181, *Article* 271—

Omit entry No. (4), Indus Conservancy Fund.

(No. 135, dated 14-10-07).

Page 182—

Omit Article 274.

(No. 135, dated 14-10-07).

Page 182, *Article* 276—

Omit "1 Mahábaleshvar" and "3 Mátherán."

(No. 135, dated 14-10-07).

of disbursements with vouchers will be sent along with the first and second lists of Treasury payments.

215. For purposes of audit the Accountant General should be furnished through the Commissioner in Sind with a detailed statement of sanctioned Establishment as prescribed in Article 55 of the C. A. C. and any alterations which may from time to time become necessary must be regularly reported through the same officer.

One general bill for each of the different kinds of establishment should be compiled at the District Treasury from the vernacular bills received from the Sub-Treasuries and submitted with the cash account referred to in Article 214.

The Local Fund (Act I of 1884.)

216. The accounts of this fund are regulated by the rules sanctioned by Government under Chapter VIII of Act I of 1884 "The Bombay Local Boards' Act"; amongst other things these rules establish a "Local Fund Branch of the Treasury" and it should be borne in mind that the establishment so named belongs exclusively to the Local Fund established under the Act cited. The following instructions, although they in some cases explain the rules applicable to the Local Fund Cash Account, and the Local Fund Branch of the Treasury are primarily intended for the guidance of the Treasury Officer, the Treasury Accountant and the establishments subordinate to those officers.

217. At the Treasury a simple banking account should be maintained in accordance with Article 269 of the C. A. C. At most Treasuries in the Presidency proper, there will be only one (Incorporated) Local Fund and the registers may therefore be kept in C. A. C. Form 35; but when one Treasury deals with two Districts (for example, Kaira), Form 36 must be used and a separate column must be maintained for each, two distinct accounts maintained, and two distinct credits and debits made in the Cash Accounts, thus:—

Incorporated Local Funds, *viz.*:—

Kaira Local Fund ...	...	...	Rs.
Panch Mahâls Local Fund	...	...	,,

218. The Treasury Cash Account should be accompanied by a *plus* and *minus* memorandum showing the monthly Receipts and Payments and Opening and Closing balances, and a schedule of Payments in the subjoined form, accompanied by the paid cheques, the Educational bills accompanying the Local Fund Cash Account.

LIST OF CHEQUES and Educational bills paid at the Treasury during the month of _____

Serial No.	Voucher No.	Amount.	REMARKS.

219. Section 44 of the Act assigns to "the Local Fund" the *net* proceeds of the following Revenues, for each of which a separate subsidiary register of receipts and payments (including refunds, if any) must

Primary record of gross receipts and charges under Section 44.

No. 20-A.

Page 165, *Article* 215—

For the words "cash account" in the 3rd line of paragraph 2 of this article substitute "Schedule of Payments."

be maintained. A special form (to be paid for by the Local Fund) has been provided suitable both for the receipt and payment register; this will be C. A. C. Form 36 with the columns arranged so that each may represent a Táluka Board's charge. The revenues are :—

Section 44 (*a*) I.—Cess on Land in Sind under Bombay Act VIII of 1865.

„ II.—Shop Tax in Sind (not levied at present).

„ (*b*) III.—Cess under Bombay Local Fund Act of 1869.

„ (*c*) IV.—Gross proceeds of Ferries under Bombay Ferry Act of 1868 including penalties.

„ (*d*) V.—Road Tolls and Leases under Bombay Act III of 1875.

„ (*f*) VI.—Fees for permission to remove sand and to quarry.

Credit of "net proceeds" to Local Funds.

220. These registers pertain to the Treasury proper, not to the Local Fund Branch (though there is no objection to the clerks of the Local Fund Branch performing the clerical work involved in their maintenance), and the daily totals of each will be carried direct to the Cash Book, but at the close of the month in preparing the cash account the monthly totals will be divided into two parts :—

(*a*) Portion retained to meet *per contra* charges.
(*b*) Net proceeds.

(*a*) Will be credited to Government in the Treasury Cash Account, while (*b*) will be credited to the Local Fund by a transfer to the Local Fund register as explained in next paragraph, the division between the two being thus entered in the Local cess and other registers :—

Monthly total (gross) ... ... Rs.
Deduct "net proceeds" transferred to the Incorporated Local Fund register ... ... „
Remainder retained by the Collector ... ... „

Advice to President, Local Fund Board.

221. As soon as the entries referred to in the last paragraph are made, an abstract of them will be prepared in the following form :—

Head of Revenue.	Táluka A.	Táluka B.	Táluka C.	District Total.
I.—Cess on land in Sind under Bombay Act VIII of 1865 .				
III.—Cess under Bombay Local Fund Act of 1889.				
IV.—Ferry Tolls, etc.				
V.—Road Tolls				
VI.—Local Land Revenue				
Total ...				

The total of this will be added to the subsidiary register of incorporated Local Funds prescribed in Article 217 in the following manner before it is carried into the cash account :—

Monthly Total	
Add—"Net proceeds" of assigned Revenue made over by the Collector as per Statement	
Total carried to Cash Account ...	

A copy of the abstract will be forwarded promptly to the President of the District Local Board for information and entry in the Local Fund Cash Book under Local Fund rule 31.

Procedure when charges for collection and assessment exceed collections of the month.

222.—When in an exceptional month the expenditure (for Refunds (if any) and cost of collection and assessment) exceed the collections of the month in the whole district, the adjustment with the Local Fund will stand over for a future month in which the revenue is in excess. To prevent the matter being overlooked, each register will have a fly leaf (or title page) at its commencement on which memoranda will be kept of the adjustments made or to be made, thus :—

Month of actual transaction.	Gross Collections.	Collection Charges.	Net proceeds credited to the Local Fund.	Month of credit to the Local Fund.
	Rs. a. p.	Rs. a. p.	Rs. a. p.	
April	800 0 0	50 0 0	750 0 0	April.
May	.....	50 0 0	.....	
June	1,200 0 0	175 0 0	.....	
	1,200 0 0	225 0 0	975 0 0	June.
July	.....	50 0 0	.....	
August	10 0 0	50 0 0	.....	
September... ...	100 0 0	50 0 0	.....	
October	800 0 0	50 0 0	.....	
	910 0 0	200 0 0	710 0 0	October.
November	10 0 0	50 0 0	.....	

A copy of this page should be regularly forwarded to the Accountant General with the accounts for January, February and March so that he may see how the matter stands; should the above adjustments involve a *minus* credit to any Táluka Board, the Local Fund Cash Account should be prepared accordingly.

223. It must be clearly understood that no difference on account of these assigned revenues must be allowed to exist at the close of an official year. Should any recovery be due from a Local Fund on account of the cost of collection of these revenues, which cannot be recovered by retention of the whole or part of the receipts for March, the advice to the Local Board under Local Boards rule 32 should be for a *minus* quantity, so that only the exact "net proceeds" of each class of revenue will appear in the Local Board's accounts for any one year, and the accounts kept in the Accountant General's office of "Local Fund Assigned Revenue Collections" will close at the end of each official year without a balance, or with a credit one, should any order issued under Article 226 remain unpaid. The term "Local Fund Assigned Revenues," should, for the purposes of this account, be considered to include the following items, *viz.*:—

(*a*) LAND REVENUE "LOCAL," including Sand and Quarry Receipts and Fishery Receipts in Sind, etc.

(*b*) PROVINCIAL RATES (*i. e.*, local cesses the net proceeds of which are assigned to the Local Fund).

(*c*) CATTLE POUND RECEIPTS.

(*d*) FERRY TOLLS.

(*e*) ROAD TOLLS.

(*f*) POISON ACT RECEIPTS.

224. In the List of Payments the expenditure will always appear in gross supported by a schedule (C. A. C. Form 35) with vouchers, while the revenue retained to meet the charges will, as already stated, be credited *per contra*; to make this clear the printed forms of cash account have been arranged so as to show both net and gross figures, and the entries given in the last paragraph should be thus entered:—

Entry in Treasury Accounts.

In April.

PROVINCIAL CESS—Gross Collections ...	800	
Deduct—Credit to the Local Fund ...	750	
Credited here to meet charge *per contra* ...		50

In May.

PROVINCIAL CESS—Gross Collections ...		
Deduct—Credit to the Local Fund ...		

In June.

PROVINCIAL CESS—Gross Collections ...	1,200	
Deduct—Credit to the Local Fund ...	975	
Credited here to meet charges of May 50—June 175		225

In July.		
PROVINCIAL CESS—Gross Collections ...		
Deduct—Credit to the Local Fund ...		
In August.		
PROVINCIAL CESS—Gross Collections	10	
Deduct—Credit to the Local Fund	...	
Credited here to partially meet *per contra* charge.		10
In September.		
PROVINCIAL CESS—Gross Collections ...	100	
Deduct—Credit to the Local Fund...	...	
Credited here to partially meet charges—July to September		100
In October.		
PROVINCIAL CESS—Gross Collections ...	800	
Deduct—Credit to the Local Fund ...	710	
Credited here to meet charges—July to October.	200	
Less Credit—August 10, September 100 ...	110	
In November.		
PROVINCIAL CESS—Gross Collections ...	10	
Deduct—Credit to the Local Fund...	...	
Credited here to partially meet *per contra* charges.		10

225. Revenue realized under Bombay Act VIII of 1866 (Sale of Poisons) should be recorded in a Tálukwár Register; the portion which may be assigned to the Local Fund by the Collector under Section 44 (*e*) being treated as a transfer from "Local to Local" in accordance with the rules laid down in Article 311 of the C. A. C., *i. e.*, the revenue will be treated as a Government (Local) receipt and when assigned to the Local Board by the Collector will, on that officer's order, be "paid by transfer" and credited to the Local Fund by a debit in the Accountant's Cash Book. Similarly all revenue collected under Act XVIII of 1883 (Cattle-pound Receipts) should be credited as a Government (Local) receipt, and the surplus (*i.e.*, the amount remaining after deducting the cost of collection, including the expenses of repairs and construction of cattle-pounds) assigned to the Local Board under Section 44 (3), will be debited in the Accountant's Cash Book, and credited to the Local Fund as a "transfer from Local to Local;" a copy of each payment order should be promptly furnished to the President of the Board in accordance with Local Fund rule 31.

226. When the Pounds within a Municipality have not been transferred to the management of the Municipality, the gross receipts and charges for collection will be treated as "Local" under the arrangement explained above, and the surplus will be paid over to the Municipality twice a year on an order signed by the District Magistrate, and will be debited by the Accountant General to the "Local Fund Assigned Revenue Collections." This order applies chiefly to Sind and is based on Government Resolution (General), No. 283, dated 25th January 1887. Similarly when the surplus is not assigned either to the Local Fund or a Municipality it should be treated as a "Contribution from Local to Provincial" so as to clear the account of "Local Fund Assigned Revenue Collections;" this arrangement will apply to Baroda and perhaps to some other localities. Nothing in this article should be read as authorizing any change in the present arrangements regarding Pounds, the entire management of which has been transferred to Municipalities.

227. When a proportion of Ferry or Road Tolls collected in one district is assigned to another under the proviso of Section 44, the actual collections in the collecting district should be divided into three parts in preparing the cash account, *viz.*:—

(*a*) Portion retained to meet *per contra* charges.
(*b*) Net proceeds assigned to district.
(*c*) Net proceeds assigned to this district.

(*a*) and (*b*) will be credited as a Government (Local) receipt and (*c*) to the Local Fund. The revenue assigned to the other district will be paid by transfer debit in the Accountant's Cash Book of that district and be credited to the Local Fund as a transfer from Local to Local, a copy of the payment order being sent to the President under rule 31.

228. Contributions from private persons, Section 44 (*g*) and receipts under Section 44 (*h*), will be paid into the Treasury to credit of the Local Fund, as directed in Local Fund Rules 34 and 35; such receipts will be entered as they occur at the District Treasury (or appear in the Sub-Treasury daily sheets) in the Local Fund subsidiary register.

Educational Expenditure.

229. Educational expenditure from the Local Fund will be drawn by bills within the limits of a letter of credit under Section 50 of the Act and Local Fund rule 39. These will after examination be paid at the District (Huzúr) Treasury *only* and will be debited in full to the Local Fund, cash orders being issued for any payments required at Sub-Treasuries. After entry in the Local Fund Register (*see* Article 217), the bills will be made over to the Local Fund Branch for entry in the Local Fund Accounts and eventual transmission to the Accountant General's office as vouchers to those accounts.

Other Expenditure.

230. All other payments will be made by a cheque drawn in accordance with rule 46 and entered direct in the Local Fund Accounts referred to in the preceding article. District Local Boards should be allowed to draw only on the District (Huzúr) Treasury, and Táluka Boards only on the Sub-Treasury of its own táluka, but such cheques may be enfaced by the Treasury Officer of the District Treasury for payment at any Sub-Treasury within the district. Cheques paid will be entered along with the Educational payments in the *Local Fund Register*, referred to in Article 217 above, and the total of the combined payments so recorded should be debited in the Treasury list of payments against

the head "Local Fund Act I of 1884," while the debit in the Local Fund Accounts will be for amount of "cheques drawn" *plus* the Educational payments (*see* the preceding article.)

231. A register of Local Fund cheques drawn by *all* the Local Boards should be maintained in the Local Fund Branch of the Treasury; in it will be daily entered all cheques drawn under Local Boards rule 46 by the District Local Board.

Under Local Boards rule 41 each voucher paid by cheque is required to be marked with the number of the cheque, and the register should be kept up from these marks; if more than one voucher is paid by the same cheque it should be arranged that they should be pinned together with a slip showing how the total of the cheque has been arrived at. Cheques drawn by the Táluka Boards will be entered in this register when the transactions are incorporated at the Huzúr under rule 25. The register should have a column "date paid" which should be filled in always on the office copy, and as far as possible on the copy despatched to the Accountant General's office, the date paid will, in the case of Sub-Treasury payments, be the date of incorporation at the District (Huzúr) Treasury, not that of payment at the Táluka.

232. There will thus be a difference between the balance of cheques at the credit of the Local Fund in the accounts maintained in the Local Fund Section and those maintained in the Treasury Proper, except in the case of contributions made from the Local Fund of one district to another or to Provincial Revenues, when the cheques issued on account thereof should be paid at once, if possible, by credit to the appropriate head. This difference will represent the amount of cheques drawn and debited in the Local Fund Accounts, but not paid at the Treasury, and, therefore, not included in the Treasury lists of payments, and will be watched month by month, by means of a Balance Sheet in the subjoined form (to be sent with the monthly Local Fund Accounts) to show the cheques outstanding at the Treasury up to date:—

BALANCE ACCOUNT of the Local Fund of the District for the month of_____ 190 .

	Rs.	a.	p.
Balance at the end of last month			
Receipts during the month			
Total ...			
Expenditure during the month			
Balance at the end of the month (in words)			

	Rs.	a.	p.			
Detail of Balance—						
Balance in the Treasury as per *plus* and *minus* memo. ...						
Deduct—						
Outstanding cheques as per details below						
Net Balance as above ...						

Memorandum of Cheques outstanding.

No.	Date.	Amount.		
		Rs.	a.	p.

233. It should be distinctly understood that claims against, and receipts in favour of, the Local Fund can only be adjusted at the Head-quarters (Huzúr) Treasury of the district and the Sub-treasuries subordinate in accordance with the rules laid down by Government and the Act on which they are based; if then a Government Department (Book Depôt, Press, Jail, Forest, etc.), has a claim against the Local Fund, it must be submitted to the Local Fund and be formally paid at the Treasury in accordance with rule 39 or 46 as the case may be. Similarly all sums due to the Fund must be brought to credit at the Treasury; under this rule interest on Government Promissory Notes held by the Accountant General for any Local Board will be paid by means of a cheque drawn in favour of the President and payable by transfer at the District Treasury concerned.

N.B.—Under this rule all grants due from Provincial Services to the Local Fund and *vice versâ* must similarly be adjusted at the Treasury on a formal claim submitted by or against the Local Fund, and it would be advisable to make these adjustments as far as practicable in the month of April rather than at the close of the year, so that the Local Board may know exactly the state of the Fund in the early portion of the year. Claims for Educational Grants-in-aid require the countersignature of the Educational Inspector.

234. On receipt of the Requisition Statement and progress report under paragraph 2 of rule 37, the monthly cheque on account of Public Works Expenditure should be drawn in favour of Government, as follows:—

To

"The Officer in charge of the Treasury at

"Please pay to the credit of Government Rs. as detailed on the reverse and debit the amount against the Local Fund,"

and should be "paid by transfer," credit being afforded for the amount in the body of the Cash Book *not in the Public Works Register of receipts.* This instruction has often been disregarded at the cost of much inconvenience to the Accountant General's Office, and particular care should be taken in following it.

235. It occasionally happens that the Executive Engineers' progress report (requisition statement) shows a *minus* quantity owing to some "write-back" or "recovery" having been effected; in such a case the Local Fund should be *paid* the amount by a transfer debit in the Accountant's Cash Book and the entries in the Local Fund Cash Account will be as follows:—

Under "Receipts" credit "Advances recovered" on page 2.

Under "Expenditure" credit in Summary of Expenditure (by a red ink *minus* entry) the account originally debited, and debit "Advances made."

N.B.—It will be noticed (1) that the credit under "Advances recovered" meets the credit afforded to the Local Fund at the Treasury, and (2) that the entries on the payment side equalise each other and do not therefore affect the Treasury figures.

Supplementary Cash Account for March.

236. As soon as the Final Requisition Statement from the Executive Engineer referred to in rule 37 of Local Boards rule is received by the Collector (the latest date for the submission of which has been fixed at 15th June as per Government Resolution, Public Works Department, No. 133 A-496 of 22nd March 1893) a supplementary Cash Account showing all the adjustments made with the sanction of the Accountant General concerning the Local Fund Account will be prepared and submitted to his office not later than the 1st of July. As, however, corrections in the accounts of the past year are admissible up to about the 10th July, any important correction can be made in the Local Fund Account up to that date, in which case a second supplementary Cash Account should be submitted so as to reach his office not later than the 20th July.

Verification of the Abstract Statement of Accounts and Statements II and III accompanying Commissioner's Local Board Administration Reports.

237. All the transactions accounted for in the Supplementary Cash Account should be included in these Annual Accounts which should be submitted to the Accountant General's office not later than the 10th and the 1st of August.

Alteration of Establishments.

238. When the entertainment of a new establishment or a change, temporary or permanent, is sanctioned by the District Local Board under Section 38 of the Local Board Act, the detailed statement of sanctioned establishments should be prepared in Form No. 5 prescribed by Article 57, C. A. C., and furnished to the Accountant General for purposes of audit.

Annual Establishment Returns.

239. The name of every permanent servant of the District Local Board whether pensionable or not, should be shown in the Annual Establishment Return submitted to the Accountant General under rule 53 of Local Board rules. As prescribed by Article 55, C. A. C., only one copy of the return should be sent to his office.

Payment of Local Fund Bills at the Treasury,

240. Under Article 8 (*d*), C. A. C., all Local Fund bills for amounts in excess of Rs. 20 paid at the Treasury by cheques are required to be stamped with one anna receipt stamp. It matters not whether the officer drawing the bill is a Government officer; the bill should be stamped.

Budget Estimates.

241. Under the provisions of Section 53 and Local Fund rule 9, the Collector of the district is responsible to place before each board the information necessary for filling in the receipt side of the Annual Estimates. The actual figures are of course obtainable from the Treasury accounts and registers. The revised estimate should be based on figures obtained by adding to the ascertained actuals of past months of the current year, those of the closing months of the past year; corrections should be introduced from what is known, or can be ascertained of the history of the past and the expectations of the coming months, regard being had to the experience of earlier years. The Budget Estimate figures should be for what is expected to be actually received during the year and not for the demand falling due within the year. In the preparation of these returns, the Collector should bear in mind the general instructions issued from the Accountant General's office and the rules in the C. A. C. regarding the preparation of the Budget so far as they can be applied to Local Funds. In the absence of more trustworthy data, estimated figures on account of fluctuating receipts should be based on average ordinary actual receipts of the past three years, the departmental officer being in all cases consulted.

242. The Budget is due in the Accountant General's office on the 20th November, and it is absolutely necessary that it should reach it on or before that date so that there may be no delay in the compilation of the general estimates of the Presidency, which is due for submission to the Government of India in the first week of January.

243. Under revised rule 19, a consolidated Budget has to be drawn up by the Collector who should make arrangements so as to be in a position to despatch it not later than the 15th November after verifying the balances and the figures of receipts. The consolidated Budget should comprise the whole Local Fund constituted under Act I of 1884 (including the Educational section of the District Local Boards Account), and the Collector should see that all the necessary accompaniments are attached, and that full particulars are given in the appendices to the Budget (Parts III and IV), the notes given in the sample forms attached to the rules, in the remark columns, being rigidly followed.

Local Fund Cash Account.

244. The foregoing articles relate chiefly to the duties of the Collector and the Government Treasury officials. The Local Board rules are clear regarding the duties of the Local Fund Branch, and they should be carefully followed.

245. It must be borne in mind that the Local Fund Accounts are "Incorporated" in the Government accounts; the Local Fund Cash Account is, therefore, with the exception of the outstanding cheques, a mere expansion of the Accountant's Cash Book. In the Accountant General's Office "Incorporated Local Fund Debt Accounts" is a head of account quite distinct from the balance of the Local Fund proper, and is designed to exhibit the "debts" of the "Incorporated Local Funds;" to suit this plan, on page 1 of the Cash Account, "Debt Accounts" are kept quite distinct from the balances of the

District and several Táluka Boards. Again on pages 2 and 3 "Advances recovered" and "Advances made" are kept quite distinct from "Revenue" and "Expenditure" as per summaries.

Apportionment of the Local Cess.

246. The apportionment of the Local Cess under rule 36 should be effected as early as practicable. There should be no delay in crediting the Educational section with, at any rate, the one-third allowed to it under Section 48.

247. The Local Fund Cash Account is not required by rule to be signed by the President of the District Local Board, and if the procuring of his signature involves delay, it may be dispensed with, the accounts being signed by the Treasury Officer.

Incorporated Local Fund Debt Accounts.

248. All advances made from an "Incorporated Local Fund" are debited in the accounts of the Accountant General's Office (though not at the Treasury) to this head. Endeavours should be made to adjust all advances of a miscellaneous nature (such as those under Section 40 of the Local Boards' Act) before the close of each financial year. For "permanent advances" (such as those under Section 50 of the Local Boards' Act) an acknowledgment is required in accordance with C. A. C., Article 78.

Audit Fee of the Accountant General.

249. Under Government Resolution No. 1531, dated 23rd May 1885, an arrangement has been sanctioned under which an annual "Audit fee" is levied from each Local Fund for the audit work performed by the Accountant General. This fee is fixed by Government from time to time and should be recovered from the Local Fund and credited to Government within the financial year to which the charge relates. The charge is levied from the several District Boards under Section 60 of Act I of 1884, and under Section 46(*b*), is chargeable to the "District Local Board" "General" section of the Fund.

Payment of Local Fund Pensions outside the District to which the Pension is debitable.

250. The Treasury Officer of the district where the pension is payable

No. 21.

Page 175, *Substitute for Article* 251—

Payment of Local Fund Scholarships outside the District which grants the allowances.

The Principals and Head Masters of the Training Colleges and High or Middle Schools are allowed to draw amounts of such scholarships in advance from the nearest Treasury on their own receipts which should specify the District Local Board on whose account the scholarships are paid. The Principals and Head Masters concerned should on the same day forward Local Fund Scholarship bills in the prescribed form to the Treasury Officers concerned who should pay the bills by transfer credit to "advances recoverable" of the paying Treasury.

2. When making the advance the Treasury Officer should advise the other Treasury concerned of the advance made and the Treasury Officer so advised should see that the recovery is duly made within the month and intimate the same to the Treasury which made the advance.

to which the Scholarships are debitable. The bills will be dealt with in the manner prescribed by rule 39 of the Local Board Rules and the amount will be sent to the preferring officer by means of a Remittance Transfer Receipt which is admissible at par in the case of Incorporated Local Funds under Article 143-I (*a*) (1), C. A. C.

Indents for Local Fund Cheque Books.

252. A stock of bilingual Local Fund cheque books printed on water-marked paper is kept in the Accountant General's office for supply to the Local Boards. Each cheque book in Maráthi, Gujaráti and Kánarese contains 50 cheques and the Sindhi book contains 100 cheques. When cheque books are required by Local Boards an indent for the required number of cheque books accompanied by a Treasury receipt for the value of stamps to be impressed on the cheques should be forwarded to the Accountant General. The cheque books cannot be supplied unless the indent is accompanied by such a Treasury receipt.

Excluded Local Funds.

253. There are six classes of Excluded Local Funds in this Presidency, *viz.* :—

I.—Cantonment Funds.
II.—Police Funds.
III.—Port and Marine Funds.
IV.—Educational Funds.
V.—Medical and Charitable Funds.
VI.—Other Funds.

General Instructions.

254. These Funds have a banking account at the Treasury, the duty of the Treasury Officer being to take the receipts to the credit of the particular Funds concerned and pay charges so long as there is a balance to the credit of the Fund.

To enable the Treasury Officer to do this, no payment should be made at Sub-treasuries unless the payment order has been endorsed by the Treasury Officer on the bill itself.

Note 1.—The rule of paying, so long as there is a balance, does not apply to the Indus Conservancy Fund as the transactions relating to this Fund extend to several districts. The accounts of this Fund will be balanced in the Accountant General's office.

2.—The rule does not apply to the Mahábaleshvar Station Fund.

255. The Treasury Officer should accordingly maintain a separate register in Form 42, C. A. C., for each of these Funds. A convenient mode will be to have a sufficient number of sheets in Form No. 42, C. A. C., bound up into a volume and successive sets of pages assigned to the several Funds. From these registers the daily total of receipts and payments should be carried into a register in Form 43, C. A. C., from which again the aggregate daily total will be carried into the Cash Book.

256. Payments on account of these Funds will usually be made on cheques signed by the administrators of the Fund concerned, except in the case of the following Funds, in which payments will be made on vouchers in the ordinary form. The Funds are :—

(1) Dispensary Funds (except Local Boards Dispensaries), the vouchers (except pay bills of dispensary establishments and Hospital Assistants in charge of Dispensaries) relating to which require the previous countersignature of the Surgeon-General before they can be paid. If the vouchers are not countersigned, the Treasury Officer should refuse payment, except in cases of emergency or in unforeseen circumstances, when the sanction of the Committee will be sufficient.

Note.—The above does not apply to the Veterinary Dispensaries. Payments relating to these Funds will be on cheques.

(2) Station Funds.

(3) Indus Conservancy Fund.

(4) Sea Pilotage Fund.

257. At the close of the month the grand total of the register in Form 43 referred to above in Article 255, should be shown in the monthly cash account and lists of payments against the entry "Excluded Local Funds" without any details. The Treasury Cash Account should be accompanied by a *plus* and *minus* memorandum showing separately for each Fund the monthly total of receipts and payments and the balances. The cheques or vouchers on which payments have been made should accompany each list of payments. The vouchers or cheques relating to each Fund should be consecutively numbered separately for each Fund and entered in a covering schedule (distinct for each Fund) in the following form :—

List of Vouchers of _____ *Fund paid at* _____ *Treasury in the month of* _____

Number of Item.	Voucher Number.	Amount.

258. All adjustments relating to the Funds should be made at the Treasury concerned. Interest payment orders on Government Securities held by the Accountant General will be sent to the Treasury Officers concerned for credit to the Fund by adjustment. The Treasury Officer should inform the administrators concerned of the amounts so adjusted.

I.—Cantonment Funds.

259. The rules applicable to Cantonment Fund Accounts will be found in Chapter IV of the Cantonment Code of 1899. The following detailed instructions will, however, be found useful in the preparation of these accounts.

The meanings of the several terms used in the Balance Account referred to in Section 51 (*e*) of the Cantonment Code are as follows :—

(*a*) "Balance from last month."—This represents the balance of the Fund as by its Cash Book and not that at the Treasury and includes the Imprest in the hands of the Committee.

(*b*) "Receipts during the month."—This means the total actual receipts for the month and must agree with the total shown in the Register of Receipts.

(*c*) "Expenditure during the month."—This represents the total charges and should agree with the Register of Payments or the total amount of cheques issued.

(*d*) "Balance at the end of the month."—This will be the balance as by the Cash Book of the Fund and so will not necessarily agree with the balance at the Treasury.

(*e*) "Detail of balance."—This is intended to reconcile the balance on the books of the Fund with the balance at the Treasury.

(*f*) "Balance in the Treasury as per Pass Book."—This needs no explanation.

(*g*) "Cash received too late, &c."—This means moneys which have been credited in the Register of Receipts and included in the total receipts during the month, but which, having been received too late, have not been remitted to the Treasury during the month.

(*h*) "Deduct outstanding cheques, &c."—This means the total of cheques issued, but not paid at the Treasury and is ascertained by reference to the Pass-book. The amount must necessarily be deducted from the total shown under "Detail of balance" so as to work out to the balance on the Fund books, for, the balance on the Fund books is reduced when any cheque is issued, whereas the balance at the Treasury is reduced by the amount of cheques paid. Particulars of all cheques should be shown in the columns provided for that purpose at the left hand corner of the balance account.

Register of Receipts.

260. In the column headed "From whom received" should be entered the names of the parties who make payments into the Fund and to whom receipts are granted. In cases, however, when receipts are collected by authorized Bill Collectors or other servants of the Fund, the counterfoil receipt should be given to such Collectors when they pay in the amount of their collection from time to time. This will reduce the number of receipts and will make the Register of Receipts less bulky.

261. (*a*) *Column "No. of voucher."*—Every bill paid by cheque should be at once entered in the Register of Payments and a separate consecutive number given to it.

(*b*) *Column "To whom paid."*—In this column should be entered the names of the parties to whom payments are actually made. When a cheque is issued to recoup the Imprest, the entry in this column should be "Petty Payments;" when a cheque is issued in payment of an establishment bill the names of the persons on the establishment in detail need not be shown in this column; some such description as "Establishment for General Administration," "Conservancy Establishment," etc., will be sufficient. No alterations in the prescribed classification in these Registers should be made without reference to the Accountant General. The totals "at end of the month" "to end of last month" and "from April" should be distinctly entered at the foot of the Registers, the first of these totals being expressed in words.

No. 21.

Page 175, *Substitute for Article* 251—

Payment of Local Fund Scholarships outside the District which grants the allowances.

The Principals and Head Masters of the Training Colleges and High or Middle Schools are allowed to draw amounts of such scholarships in advance from the nearest Treasury on their own receipts which should specify the District Local Board on whose account the scholarships are paid. The Principals and Head Masters concerned should on the same day forward Local Fund Scholarship bills in the prescribed form to the Treasury Officers concerned who should pay the bills by transfer credit to "advances recoverable" of the paying Treasury.

2. When making the advance the Treasury Officer should advise the other Treasury concerned of the advance made and the Treasury Officer so advised should see that the recovery is duly made within the month and intimate the same to the Treasury which made the advance.

262. Payments are of three kinds—(1) Establishment (this includes payments to gazetted officers and to non-gazetted officers whose salaries are personal, such as Hospital Assistants); (2) Travelling Allowances; (3) Contingent charges.

(1) Charges on account of establishment should be drawn on the establishment bill form, those on account of gazetted officers in the gazetted officers' salary bill form, and those for the non-gazetted in the non-gazetted officers' salary bill form.

(2) Travelling allowance charges should be drawn on the travelling allowance bill form (C. A. C., F. 9), in the same way as establishment charges.

(3) Contingent charges.—All claims by contractors and others (other than claims on account of establishment and travelling allowance) as recorded in the Register of Payments and paid by cheque should at the end of each month be transcribed in a special cantonment contingent bill form headed "Not payable," a separate form being used for each major head.

263. A bill in the special cantonment form headed "Payable" should be drawn up from the Imprest Account mentioned in Section 41 of the Cantonment Code, in order to recoup the Imprest in the hands of the Cantonment Committee referred to Section 37 (1), at the end of each month or sooner. This bill will be numbered consecutively along with the other bills paid by cheque and entered in the Register of Payments.

II.—Police Funds.

Rules.

264. Rules for these funds have been sanctioned in Government Resolution No. 2935, dated 3rd June 1890, Judicial Department, which, as corrected up to date, are reproduced in Part 6 of the Police Manual. A separate set of rules have been sanctioned for the three Gujarát Agency Mounted Police Funds in Government Resolution, Political Department, No. 1274, dated 17th February 1903.

Accounts, where and in what forms to be kept.

265. The Superintendents of Police should maintain a Cash Book in the form prescribed in Rule 6. Forms for the Cash Book may be obtained from the Government Central Press. Treasury Form No. 35, C. A. C., will do very well, the necessary alterations being made in manuscript. On the receipt side will be entered the amount of subscriptions recovered by deduction from the pay bill and adjusted at the Treasury on the day the bill is cashed, and recoveries made on account of value of horses, donations, grass, horse equipments, etc., will be shown in the same way. This amount may be entered at once in the second money column. The cash receipts will be entered in the Cash Book as they occur, and at the close of the day on which there are any transactions the receipts entered in the first money column should be added up and the total entered in the second money column. This amount should then be sent to the Treasury for credit to the fund on the same day, if possible, or early next day, and when the amount is sent a note "Remitted to Treasury" should be made in the Cash Book. Example:—

Cash Book.

Receipts.		From whom received.	Amount.	Total.
Date.	Number.			
			Rs.	Rs.
2nd July	1	A. B.	50	
Do.	2	C. D.	5	
		Remitted to Treasury ...	...	55
10th July	3	E. F.	15	
		Remitted to Treasury ...	...	15

266. Amount required for payment should be drawn from the Treasury from time to time by cheques for Excluded Local Fund by altering the word "Administrator" to "Superintendent of Police." Under Article 272 (3), C. A. C., Superintendents of Police should not issue cheques for sums less than Rs. 10 against the Treasury. Such sums may be drawn on simple receipts as laid down in rule 5 of the Mounted Police Fund Rules. These cheques can be obtained from the Superintendent of the Government Central Press. The amounts so drawn should be entered in a register in the following form :—

Date.	Number of Cheque.	Amount.
		Rs.
2nd July	Book No. 25, Cheque No. 56	50
.....	.....	60
.....	.....	45
	Total ...	155
	Deduct— Total expenditure as per Cash Book ...	125
	Net balance to be refunded into the Treasury ...	30

267. This Register should be closed at the end of the month in the manner indicated above; payments as they are made will be entered in the Cash Book so that the difference between the total of the register referred to above and the total expenditure as per Cash Book on any day will show the balance in the hands of the Superintendent available for expenditure. At the close of the month the Cash Book should be totalled and the total expenditure deducted from the register referred to above, and the difference, if any, should be repaid into the Treasury. This difference should be entered on the receipt side of the Cash Account of the fund against the entry "Credited into Treasury as *per contra*" and on the Expenditure side against the entry "Balance of cheque drawn repaid into the Treasury."

268. It will be noticed that the total receipts and charges as per Cash Book of the Police Superintendent will agree with the Treasury Receipts and Charges.

The Cash Book should then be balanced and sent to the Treasury Officer who will verify the balance with his account and, if found correct, will endorse "Balance verified and found correct."

269. After the Cash Book is returned by the Treasury Officer duly endorsed, a cash account in Excluded Local Fund Standard Form No. 57-E should be prepared and submitted through the respective Controlling Officers so as to reach the Accountant General's office not later than the 15th of the month following that to which it relates. It will be supported by a single bill in the Excluded Local Fund Standard Form No. 64-E which will be countersigned by the Controlling Officers.

Budgets.

270. The Budget should be submitted to Government through the Accountant General in Excluded Local Fund Standard Form No. 60, which should be despatched from the office of the Controlling Officers so as to reach the Accountant General's office not later than 20th December.

III.—Port and Marine Funds.

271. The following funds which are classed under Port and Marine Funds are subject to the audit of the Accountant General. Monthly accounts of these funds are rendered to him by the Administrators of the funds, with the exception of the Steam Vessels Survey Fund, Bombay. A quarterly statement of Receipts and Charges showing the opening and closing balances of this fund is sent by the Accountant General to the Port Officer, Bombay, who is the Administrator of the Fund, for verification.

(1) Northern Ports Fund.
(2) Southern do.
(3) Steam Vessels Survey Fund, Bombay.
(4) Indus Conservancy Fund.
(5) Sea Pilotage Fund, Karáchi.

272. The transactions relating to the Northern and Southern Ports Funds extend to the several Salt Treasuries in the Southern and Northern Divisions, and do not therefore appear in the Accounts of Treasury Officers. A monthly balanced cash account of each group of Port Funds is prepared by the Chief Account Officer of Customs, Salt and Opium, Bombay, and submitted to the Accountant General, together with vouchers in support of charges shown in the cash account. The interest realized on the Government promissory notes belonging to these funds is adjusted half-yearly in the accounts of the Accountant General's office to the credit of the funds, and intimation of the adjustment given to the Chief Account Officer of Customs to enable him to include the adjustment in his accounts of the Ports Funds.

273. Pensions paid from the Northern and Southern Ports Funds are generally payable from the Salt Treasuries. In certain cases, however, the pensioners find it convenient to draw their pensions from Revenue Treasuries. The following procedure should be observed in such cases:—

The Revenue Treasury Officers will pay the pensioners and charge the payment to Objection Book Advances recoverable in the list of payments, and at the same time intimate the fact to the Sarkarkuns, who should thereupon charge the amount to the Port Fund concerned, and pay it into the Treasury to the credit of "Objection Book Advance."

IV.—Educational Funds.

274. Under Government of India orders (G. I. H. D., Education, No. 203, dated 19th July 1893, quoted in G. R., F. D., No. 3128, dated 9th September 1893), Educational Funds are not to be borne on Government books as Excluded Local Funds. The Director of Public Instruction has, in consultation with the Administrators of the existing Educational Endowment Funds, taken steps to remove these funds from the Accountant General's books. Six Educational Funds belonging to the Elphinstone College will, however, continue to remain as Excluded Local Funds as the Accountant General is one of the trustees of these funds, and under the deed of trust the interest on the Securities is to be paid into the Bank of Bombay, to the credit of these funds, as Excluded Local Funds.

The Administrator of these funds is the Principal of the Elphinstone College. The names of these funds are given below :

1. Sunder Jiwaji Prize.
2. Raja of Dhár.
3. Ganpatrao Vittal.
4. Gáekwár's Scholarship.
5. Bell Prize.
6. Mountstuart Elphinstone Memorial Fund.

V.—Medical and Charitable Funds.

Dispensary Funds.

275. The funds are not audited by the Accountant General and consequently no accounts are received.

VI.—Other Funds.

Station Funds.

276. There are four hill stations as follow :—

1. Mahábaleshwar.
2. Panchgani.
3. Mátherán.
4. Kolhápur.

The monthly cash accounts of each fund are prepared by the Superintendent of the station and submitted to the Accountant General through the Treasury Officer concerned, who also submits the paid vouchers with the Treasury *plus* and *minus* memorandum.

277. In the case of the Mátherán Station Fund, some of its receipts are also paid into the Bank of Bombay for the convenience of the public. As the amounts paid into the Bank are not accounted for in the Excluded Local Fund *plus* and *minus* memorandum of the Treasury Officer, Kolába, the Accountant General communicates to that officer at the end of the year the correct balance standing at the credit of the fund, which is made up of the actual balance at the Kolába Treasury and the amounts paid into the Bank of Bombay during the official year. This balance should be accepted by the Treasury Officer as the correct closing balance of the fund at the close of the year—*vide* Article 275

No. 2.

Page 182, *Article* 274—

In the sixth line substitute "Five" for "Six," and cancel "6. Mountstuart Elphinstone Memorial Fund" from the list of the names of the Funds in the second paragraph.

C. A. C. The Superintendent also notes on his memorandum of balances the amount paid into the Bank during the month for the information of the Treasury Officer.

Káthiáwár Local Funds.

278. These funds have been classified under the following heads in accordance with Government Resolution, Political Department, No. 4745, dated the 15th June 1891:—

I.—The Agency Consolidated Fund.
II.—The Hálár Pránt Fund.
III.—The Jhálávád do.
IV.—The Sorath do.
V.—The Gohelvád do.
VI.—The General Contribution and Endowment Fund.
VII.—The Wadhwán Civil Station Fund.
VIII.—The Rájkot Civil Station Fund.

They are locally audited annually by the Outside Audit Branch of the Accountant General's office and no accounts are consequently rendered to him. The establishment bills paid from the Consolidated Fund are, however, sent to him for audit.

Mahi Kántha, Rewa Kántha and Pálanpur Agency Funds.

279. These funds are, like the Káthiáwár Funds, annually audited locally by the Outside Audit Branch of the Accountant General's Office. (*Vide* Government Resolution, Political Department, No. 331, dated 13th January 1902.)

Municipalities banking with Government.

280. Municipalities in the Bombay Presidency are not obliged to place their funds in a Government Treasury, but when they do so their transactions should be regulated by the following rules:—

I.—No sums of less than Rs. 10 should be paid into or withdrawn from the Treasury.

II.—Sums paid in should be accompanied by a chalan in the ordinary standard form in use at the Treasury, and a "pass book" in which the amounts received will be acknowledged under the initials of the Sub-Treasury Officer, if the amount be received at a Sub-Treasury, or of the Treasury Officer or Accountant (according to the amount received) if received at a District Treasury.

III.—Sums required by the Municipality for expenditure may be drawn on a cheque signed by the Secretary and two members of the Municipal Committee, and will be cashed by the Treasury Officer after he has ascertained that the amount drawn is within the balance at the credit of the Municipality.

IV.—In accordance with Chapter I, Article 17, of the C. A. C., the cheque forms should be bound in books with counterfoils. Each cheque should bear a serial number which should be repeated on each cheque contained in it, together with the consecutive number of the

cheque itself, and the drawing officer should notify to the Treasury upon which he draws the number of the cheque book which he from time to time brings into use. Outside the book should be an order to keep it under lock and key in the personal custody of the drawing officer, who, when relieved, should take a receipt for the correct number made over to the relieving officer.

V.—Standard Cheque and Pass Book Forms (to be procured from the Central Press, Bombay, on payment) must be used by all the Municipalities banking with Government.

The accounts of Municipal Funds at Treasuries will be maintained under the same rules and on the same forms as "Personal Deposits" (Articles 196 and 197), but the daily total should be separately carried into the Cash Book as "Municipal Funds."